

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Application of SAN DIEGO GAS & ELECTRIC )  
COMPANY (U 902 E) For Authority To )  
Update Marginal Costs, Cost Allocation, )  
And Electric Rate Design. )  
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Application No. 15-04-012  
(Filed April 13, 2015)

**AMENDED APPLICATION OF  
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS,  
COST ALLOCATION AND ELECTRIC RATE DESIGN**

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December 1, 2015

## TABLE OF CONTENTS

<b>I.</b>	<b>OVERVIEW OF APPLICATION .....</b>	<b>1</b>
<b>II.</b>	<b>SUPPORTING TESTIMONY .....</b>	<b>2</b>
<b>III.</b>	<b>UPDATED MARGINAL COST STUDIES AND REVENUE ALLOCATIONS .....</b>	<b>7</b>
<b>IV.</b>	<b>INTRODUCTION TO NEW RATE PROPOSALS .....</b>	<b>7</b>
	<b>A. Proposed Changes to Standard Rates.....</b>	<b>7</b>
	<b>B. Proposals to Eliminate Certain Closed Rate Schedules .....</b>	<b>11</b>
	<b>C. Proposals to Offer New Rate Options.....</b>	<b>11</b>
<b>VI.</b>	<b>STATUTORY AND PROCEDURAL REQUIREMENTS .....</b>	<b>12</b>
	<b>A. Category, Need for Hearings, Issues and Schedule - Rule 2.1(c) .....</b>	<b>12</b>
	<b>B. Authority - Rule 2.1 .....</b>	<b>13</b>
	<b>C. Corporate Information and Correspondence - Rules 2.1(a) and 2.1(b) .....</b>	<b>13</b>
	<b>D. Organization and Qualification to Transact Business – Rule 2.2 .....</b>	<b>14</b>
	<b>E. Balance Sheet and Income Statement – Rule 3.2(a)(1) .....</b>	<b>14</b>
	<b>F. Rates - Rules 3.2(a)(2) and 3.2(a)(3) .....</b>	<b>14</b>
	<b>G. Property and Equipment - Rule 3.2(a)(4).....</b>	<b>14</b>
	<b>H. Summary of Earnings - Rules 3.2(a)(5) and (6) .....</b>	<b>15</b>
	<b>I. Depreciation - Rule 3.2(a)(7).....</b>	<b>15</b>
	<b>J. Proxy Statement - Rule 3.2(a)(8) .....</b>	<b>15</b>
	<b>K. Pass Through of Costs - Rule 3.2(a)(10).....</b>	<b>15</b>
	<b>L. Service and Notice - Rule 1.9 .....</b>	<b>16</b>
<b>VII.</b>	<b>CONCLUSION .....</b>	<b>16</b>
<b>APPENDICES</b>		
Appendix A	Balance Sheet and Statement of Income and Financial Statement	
Appendix B	Statement of Present and Proposed Rates	
Appendix C	Cost of Property and Depreciation Reserve	
Appendix D	Summary of Earnings	
Appendix E	Governmental Entities Receiving Notice	

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**AMENDED APPLICATION OF  
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FOR AUTHORITY TO UPDATE MARGINAL COSTS,  
COST ALLOCATION AND ELECTRIC RATE DESIGN**

Pursuant to California Public Utilities Code<sup>1</sup> § 454 and California Public Utilities Commission (“Commission” or “CPUC”) Rules 2.1-2.3 and 3.2 as well as the E-Mail Ruling of Administrative Law Judge (“ALJ”) Stephen C. Roscow, dated November 5, 2015, San Diego Gas & Electric Company (“SDG&E”) hereby submits this *Amended Application for Authority to Update Marginal Costs, Cost Allocation and Electric Rate Design* (“Amended Application”). This Amended Application supersedes in its entirety the *Application for Authority to Update Marginal Costs, Cost Allocation and Electric Rate Design*, submitted by SDG&E on April 13, 2015 (“Application”) in accordance with the schedule adopted in the Commission’s Rate Case Plan set forth in Decision (“D.”) 89-01-040 (*modified by* D.07-07-004), as extended by letter dated January 27, 2015 from Commission Executive Director Timothy Sullivan.

**I. OVERVIEW OF APPLICATION**

This Amended Application submits Phase 2 of SDG&E’s 2016 Test Year General Rate Case (“GRC”) for Commission consideration. Phase 1 of the GRC is currently being litigated in Application (“A.”) 14-11-003, filed November 14, 2014. This Amended Application includes

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<sup>1</sup> Referenced herein as “P.U. Code.”

the traditional elements of a GRC Phase 2 type proceeding: electric marginal costs, marginal cost revenue responsibility, revenue allocation and rate design. In addition, this Amended Application offers testimony supporting new rate design proposals.

## II. SUPPORTING TESTIMONY

In support of the Amended Application, SDG&E attaches the testimony of the following witnesses, organized by Chapter as shown:

**Chapter 1 (Cynthia Fang):** Provides an overview of the testimony and the policy considerations, as well as presents the following:

- Proposes to update time-of-use (“TOU”) periods to reflect:<sup>2</sup>
  - An on-peak period of 4-9pm daily both summer and winter compared to the current on-peak period of 11am-6pm summer and 5-8pm winter.
  - A super off-peak period of 12am-6am weekdays and 12am-2pm weekends and holidays compared to the current 10pm-6am weekdays and all hours weekends and holidays.
  - An off-peak period for all other hours compared to the current semi-peak period of all other hours.
- Proposes to shorten the hours of SDG&E’s Critical Peak Pricing (“CPP”) period from 11am-6pm to 2pm-6pm year round.
- Provides policy support for the proposal for a gradual transition path to more cost-based rates that provide accurate price signals and promote transparent incentives.
- Provides policy support for the proposal for more cost-based rate options for customers today to provide customers with price signals that reflect their cost of service.
- Provides policy support for the proposal for annual electric sales updates to provide greater stability in rates and customer bills.

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<sup>2</sup> SDG&E recognizes that the Commission is considering opening a new Order Instituting Rulemaking to assess peak electricity usage patterns and consider appropriate time periods for future TOU rates. This was discussed and held at the Commission’s November 19, 2015 business meeting and is on the agenda for its December 3, 2015 meeting. As is demonstrated in the testimony submitted herein, SDG&E’s current TOU periods no longer reflect its system conditions and provide an incorrect price signal to customers. SDG&E is including a request to change its TOU periods herein pursuant to the direction set forth in D.15-08-040 in an effort to better align TOU periods with system conditions and needs for the next five years consistent with Public Utilities Code Section 745(c)(3) before a majority of its customers (i.e. the residential class) move to TOU rates pursuant to the direction provided in D.15-07-001.

**Chapter 2 (Christopher Swartz):** presents electric revenue allocation and rate design proposals, including:

- Proposes updates to revenue allocations for (1) Distribution, (2) Commodity, (3) Competition Transition Charge (“CTC”), (4) Public Purpose Program (“PPP”), which includes low income programs California Alternate Rates for Energy (“CARE”) and Energy Savings Assistance Program (“ESAP”), Energy Efficiency (“EE”), and Electric Program Investment Charge (“EPIC”), and (5) Local Generation Charge (“LGC”).
- Proposes a three year transition path for the revenue allocations of Distribution and Commodity.
- Proposes to move recovery of programs currently recovered in Distribution rates, specifically California Solar Initiative (“CSI”) and Self Generation Incentive Program (“SGIP”) costs from distribution rates to PPP rates, consistent with other programs funding state policy objectives.
- Proposes a transition path for moving business customers’ Monthly Service Fee (“MSF”) towards full recovery of distribution customer costs.
- Proposes a transition path to move the recovery of distribution demand charges towards 100% non-coincident demand (“NCD”) for customers with distribution demand charges.
- Updates commodity rates and presents bill impacts to reflect the TOU periods proposed in this Amended Application.
- Proposes a transition path to move the recovery of peak generation capacity costs more towards full recovery through a peak demand charge for customers with a commodity on-peak demand charge.
- Proposes the elimination of closed rate schedules that are no longer applicable.
- Introduces new customer options:
  - A small commercial rate offering with an increased fixed charge that will provide greater bill stability.
  - A more cost-based option for medium/large commercial and industrial (“M/L C&I”) customers.
  - Re-open and revamp Schedule A-TOU to provide non-residential customers with demand less than 40 kW a more cost based option, including an introduction to demand charges.

- A more cost-based option for residential electric vehicle customers with a fixed charge and lower energy rates.
  - The framework for a new rate option for dimmable lights which will reduce the usage applied to their electric energy commodity charge by the amount of kWh dimmed. The option would be available for customers with either utility-owned or customer-owned lights. Customer-owned streetlights must have SDG&E-approved adaptive controls in order to select this option.
- Proposes a transition path to bring the non-residential CARE discount within the range mandated by Assembly Bill 327 by 2020.
  - SDG&E proposes to reduce the Expanded CARE effective discount to 40% in Year 1, which is a 3% decrease for Small Commercial and a 2% decrease for M/L C&I; then reduce it to 38% in Year 2; and then decrease 1% each year until legislative compliance of 35% is reached by 2020.
- Proposes to reduce the Peak-Time-Rebate (“PTR”) incentives, with eventually eliminating the program.
  - Reduce the PTR incentive levels by \$0.25 to \$0.50 or \$1.00 per kWh (depending on whether the customer is using enabling technology) effective November 1, 2016. In addition, SDG&E proposes to continue the transition, by reducing the PTR incentives to \$0.25 and \$0.50 per kWh in November 1, 2017 and eliminating the PTR program in November 1, 2018.
- Proposes to eliminate of current under/over collection requirements to retain under/over collections associated with dynamic pricing rate incentives within the customer class eligible for the specific dynamic pricing rate now that all customer classes have dynamic pricing rates.
- Proposes a transition path to move the on-peak/off-peak ratios toward cost-based levels for the TOU energy rates of Small Commercial and Small Agricultural customers.
- Presents the study results from treating Schedule A-TC as a separate customer class for revenue allocation purposes, in accordance with the Test Year 2012 GRC Phase 2 Partial Settlement Agreement adopted by D.14-01-002.
- Requests that the Commission find the updated streetlighting cost studies are reasonable and should be adopted.

- Proposes the removal of an obsolete light type for Schedule LS-1.
- Proposes to close LS-1 Class C rates to new customers and proposes to give current LS-1 Class C customers the option to move to LS-1 Class B with a one-time transfer payment, thereby avoiding LS-1 Class C cost shifting to other street lighting customers. The one-time transfer payment is calculated based on the proposed LS-1 Class C rates in this proceeding and will promote indifference to other street lighting customers.

**Chapter 3 (Robert B. Anderson):**

- Supports the proposal to update TOU periods by presenting evidence of SDG&E's changing system conditions.

**Chapter 4 (Kenneth E. Schiermeyer):<sup>3</sup>**

- Requests that the Commission approve the electric sales forecast that has been updated to reflect the California Energy Commission's ("CEC") most recent adopted forecast, the 2014 California Energy Demand Updated Forecast, and seeks approval of its use in the rate design process and in determining the change in SDG&E's TOU periods.
- Proposes to update its electric sales forecast on an annual basis, beyond the approved Test Year.

**Chapter 5 (John Baranowski):**

- Describes SDG&E's distribution planning process in support of SDG&E's proposal to move the recovery of distribution demand charges towards 100% non-coincident demand for customers with distribution demand charges.

**Chapter 6 (William G. Saxe):**

- Requests that SDG&E's updated marginal distribution demand and customer cost studies as well as the cost basis for updated revenue allocation factors for allocating its authorized distribution revenue requirements to customer classes are reasonable and should be adopted.

**Chapter 7 (Jeff J. Shaughnessy):**

- Requests that SDG&E's updated marginal commodity cost studies as well as the cost basis for updated revenue allocation factors for allocating the authorized

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<sup>3</sup> Three exhibits attached to Mr. Schiermeyer's testimony contain confidential information, which has been redacted from public versions of this testimony. Please refer to Section VII below.

commodity revenue requirement and CTC revenue requirements to customer classes are reasonable and should be adopted.

**Chapter 8 (Dawn Welch):**

- Presents stakeholder and customer outreach prior and after re-filing and this Application.
- Proposes language to modify the eligibility of SDG&E's standard small commercial rate schedule (in accordance with D.14-11-002).

**Chapter 9 (Leslie Willoughby):**

- Describes the proposed changes in SDG&E's event day trigger threshold for its Critical Peak Pricing default ("CPP-D") rate, to align the trigger with the SPP and increase the peak-shaving benefits of the rate.

All references to testimony herein refer to the foregoing.

In addition, it should be noted that SDG&E is currently attempting to negotiate a settlement with the public schools in San Diego's service territory. In D.15-08-040, the Commission noted:

SDG&E did not follow through on its statement in its Application and opening testimony that "SDG&E recognizes the special circumstances associated with public schools, such as their limited budget control and inability to change use patterns tied to periods during which they must serve the needs of children. SDG&E is committed to working with the public schools to find a solution and is preparing to offer such schools a bill credit or other solutions associated with the change in TOU periods."<sup>4</sup>

SDG&E initiated discussions with the public schools in an attempt to resolve their concerns. These discussions are continuing. If SDG&E and the schools are able to reach an agreement, SDG&E will submit a filing for Commission approval at that time.

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<sup>4</sup> D.15-08-040, footnote 49.



### **III. UPDATED MARGINAL COST STUDIES AND REVENUE ALLOCATIONS**

In this Amended Application, SDG&E presents updated marginal cost studies for Distribution (including Streetlighting) and Commodity. In addition, SDG&E presents updated revenue allocations for: (1) Distribution; (2) Commodity; (3) CTC; and (4) PPP, which includes low income programs CARE and ESAP, EE, and EPIC, and (5) LGC. SDG&E requests that the Commission find reasonable and adopt SDG&E's updated marginal cost studies and revenue allocation proposals including SDG&E's proposal to move the recovery of CSI and SGIP from Distribution to PPP rates herein.

### **IV. INTRODUCTION TO NEW RATE PROPOSALS**

In addition to updating marginal costs and revenue allocation, this Amended Application introduces several new proposals, which are referenced above by witness and further described in the supporting testimony. These proposals are consistent with the CPUC's rate design principles stated in Rulemaking ("R.") 12-06-013 ("Rate Reform OIR") and California policy goals, as described in the testimony of Cynthia Fang. SDG&E's residential rate reform proposals reflecting these principles were largely addressed in R.12-06-013. In this proceeding, SDG&E proposes continuing the movement toward cost-based rates for business customers that are also consistent with the Commission's rate design principles. SDG&E has taken a balanced approach in designing its proposals to minimize impact, by proposing a gradual implementation path to conclude in SDG&E's next anticipated GRC Phase 2 for Test Year 2019.

#### **A. Proposed Changes to Standard Rates**

SDG&E's rate design proposals to continue movement towards cost-based rates through the next anticipated rate design proceeding are shown in the table below:<sup>5</sup>

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<sup>5</sup> This table replicates Table CS-23 of Mr. Swartz's testimony (Chapter 2).

SDG&E Proposed Changes to Non-Residential Class Standard Rates				
	Current	Year 1	Year 2	Year 3
<b>Small Commercial: Schedule A/TOU-A</b>				
<i>Customer Costs</i>	MSF based on demand with residual in energy rate	Increase MSF based on demand and decrease residual in energy rate	Increase MSF based on demand and decrease residual in energy rate	Increase (double current) MSF based on demand and decrease residual in energy rate
<i>Distribution Demand</i>	Energy rate	Energy rate	Energy rate	Energy rate
<i>Generation Capacity</i>	Flat energy	TOU energy	TOU energy – increased differential	TOU energy-- increased differential
<i>Commodity Energy</i>	Flat energy	TOU energy	TOU energy-- increased differential	TOU energy-- increased differential
<b>M/L C&amp;I: Schedule AL-TOU</b>				
<i>Customer Costs</i>	MSF with residual in demand charges	Increase MSF 20% with decrease residual in demand charges	Increase MSF 20% with decrease residual in demand charges	Increase MSF 20% with decrease residual in demand charges
<i>Distribution Demand</i>	65% NCD/35% Peak	No change from current (65% NCD/35% Peak)	75% NCD/25% Peak	85% NCD/15% Peak
<i>Generation Capacity</i>	50% on-peak demand charge with residual in energy rate	No change from current (50% on-peak demand charge with residual in energy rate)	60% on-peak demand charge with reduced residual in energy rate	70% on-peak demand charge with reduced residual in energy rate
<i>Commodity Energy</i>	TOU energy	TOU energy	TOU energy	TOU energy
<b>Small Agricultural: Schedule PA (&lt;20kW)</b>				
<i>Customer Costs</i>	MSF with residual in energy rate	20% Increase MSF and decrease residual in energy rate	20% Increase MSF and decrease residual in energy rate	20% Increase MSF and decrease residual in energy rate
<i>Distribution Demand</i>	Energy rate	Energy rate	Energy rate	Energy rate
<i>Generation Capacity</i>	Flat energy	TOU energy	TOU energy – increased differential	TOU energy-- increased differential
<i>Commodity Energy</i>	Flat energy	TOU energy	TOU energy-- increased differential	TOU energy-- increased differential
<b>M/L Agricultural: Schedule PA (≥20kW)</b>				

<i>Customer Costs</i>	MSF with residual in energy rate	20% Increase MSF and decrease residual in energy rate	20% Increase MSF and decrease residual in energy rate	20% Increase MSF and decrease residual in energy rate
<i>Distribution Demand</i>	Energy rate	Energy rate	Introduction of NCD at 20% and decrease residual in energy rate	Increase of NCD to 30% and decrease residual in energy rate
<i>Generation Capacity</i>	20% on-peak demand charge with residual in energy rate	20% on-peak demand charge with residual in energy rate	30% on-peak demand charge with reduced residual in energy rate	40% on-peak demand charge with reduced residual in energy rate
<i>Commodity Energy</i>	TOU energy	TOU energy	TOU energy (off-peak first then semi-peak)	TOU energy (off-peak first then semi-peak)
<b><i>Large Agricultural: Schedule PA-T-1</i></b>				
<i>Customer Costs</i>	MSF with residual in demand charges	Increase MSF 20% with decrease residual in demand charges	Increase MSF 20% with decrease residual in demand charges	Increase MSF 20% with decrease residual in demand charges
<i>Distribution Demand</i>	100% NCD with off-peak exemption	100% NCD with off-peak exemption	100% NCD with off-peak exemption	100% NCD with off-peak exemption
<i>Generation Capacity</i>	50% on-peak demand charge with residual in energy rate	50% on-peak demand charge with residual in energy rate	60% on-peak demand charge with reduced residual in energy rate	70% on-peak demand charge with reduced residual in energy rate
<i>Commodity Energy</i>	TOU energy	TOU energy	TOU energy (off-peak first then semi-peak)	TOU energy (off-peak first then semi-peak)

In addition to the above, as described in the testimony of Ms. Fang and Mr. Anderson, SDG&E proposes to change the time periods definitions for its TOU rates to better align the periods with current system needs. TOU periods create price signals that provide customers information about the high cost periods and the low cost periods. In turn, this price signal will incent economically efficient behavior that reduce system costs when customers reduce their bills by shifting energy usage to low cost time periods and avoiding usage during high cost time periods. Since the definition of TOU periods are intended to provide customers with accurate

information regarding the high cost periods for commodity services and the low cost periods for commodity services, SDG&E believes that TOU period definitions should be the same for all customers. As such, SDG&E's proposal is applicable to all rate schedules.

SDG&E is seeing changes to its portfolio that result in a change in what drives the need for generation resources. That need is based no longer solely on loads, but on "net load," loads less solar and wind resources in the local reliability area that have become a growing part of SDG&E's portfolio of resources. Rather than its current TOU period definitions, SDG&E has now identified a need for generation resources from 2 pm to 9 pm. In this proceeding, SDG&E is proposing to address this need through a combination of a shorter five-hour on-peak TOU period from 4 pm to 9 pm and a shorter four-hour CPP period from 2 pm to 6 pm on high demand days.

SDG&E also proposes, as explained in the testimony of Ms. Fang and Mr. Schiermeyer to update its electric sales forecast annually, beyond the test year, until SDG&E's next rate design decision adopting a new sales forecast is implemented. Currently, SDG&E updates its test year sales forecast in its GRC or RDW proceedings. This proposal to update electric sales forecast annually will better capture the changes in electric sales, which would noticeably reduce the impact of under/over collections related to differences between actual sales and test year sales on customers. Updating the electric sales forecast on a more frequent basis will provide electric customers with a more appropriate set of billing determinants and would allow SDG&E to collect revenues in a steadier manner. SDG&E has included electric sales forecasts in Mr. Schiermeyer's testimony for years 2016, 2017 and 2018. If approved herein, SDG&E proposes the ability to implement the presented electric sales forecasts beyond the test year through a Tier 2 advice letter that would then be incorporated into SDG&E's annual Electric Consolidated

advice letter for January 1 effective rates. The electric sales forecast would impact all rate schedules.

## **B. Proposals to Eliminate Certain Closed Rate Schedules**

This Amended Application also proposes eliminating the following closed rate schedules that are no longer applicable, as detailed by Mr. Swartz in Chapter 2: Schedule A, Schedule AY-TOU, Schedule AD, and Schedule PA.

## **C. Proposals to Offer New Rate Options**

Mr. Swartz (Chapter 2) describes several new cost-based rate options for business customers and one new option for residential electric vehicle customers. For Small Commercial customers, SDG&E proposes a new optional rate with a larger fixed charge and a reduced volumetric rate, for the benefit of customers whose usage can vary on a month-to-month basis. SDG&E also proposes reopening Schedule A-TOU for small commercial customers with a demand of less than 40 kW, with changes to add a cost-based MSF, reduce level distribution NCD at 20% recovery; and (3) implement cost-based TOU commodity rates.

SDG&E is also proposing a fully cost-based option for M/L C&I customers with the following features: (1) a cost-based MSF; (2) distribution demand costs recovered through a NCD demand charge with an exemption for demand in the super-off peak period, and (3) an on-peak demand charge that reflects 90% of generation capacity. For street lighting customers, SDG&E proposes a new dimmable rate option.

For residential electric vehicle customers, SDG&E is proposing a similar option to that approved for Southern California Edison Company in D.14-12-048. This is a more cost-based rate structure, compared to SDG&E's current electric vehicle rate Schedule EV-TOU2, that will

be optionally available to residential electric vehicle customers and includes a \$16 monthly service fee and TOU energy rates.

## **VI. STATUTORY AND PROCEDURAL REQUIREMENTS**

### **A. Category, Need for Hearings, Issues and Schedule - Rule 2.1(c)**

#### **1. Category**

SDG&E proposes that this proceeding be categorized as “ratesetting.”

#### **2. Need for Hearings**

SDG&E believes that evidentiary hearings will be required.

#### **3. Issues to be Considered**

The issues to be considered are described in this Amended Application and the accompanying testimony and exhibits.

#### **4. Proposed Schedule**

SDG&E proposes the following schedule:

<b><u>ACTION</u></b>	<b><u>DATE</u></b>
SDG&E files GRC Phase 2 Application	April 13, 2015
Responses/Protests	May 20, 2015
Reply to Responses/Protests	June 1, 2015
Prehearing Conference	June 12, 2015
SDG&E files Amended GRC Phase 2 Application	December 1, 2015
Responses/Protests	Around January 4, 2016
Reply to Responses/Protests	Around January 14, 2016
Prehearing Conference	February 2, 2016
Scoping Memo Issued	March 9, 2016
Intervenor Testimony	May 13, 2016
Concurrent Rebuttal Testimony	June 17, 2016

Evidentiary Hearings, if necessary	July 12-15, 2016
Opening Briefs	August 4, 2016
Reply Briefs	August 23, 2016
Proposed Decision	September, 2016
Adopted Rate Proposals Effective	November 1, 2016

**B. Authority - Rule 2.1**

This Amended Application is filed pursuant to P.U. Code § 454 as well as the E-Mail Ruling of ALJ Roscow, dated November 5, 2015, and in compliance with the Commission's Rules of Practice and Procedure. SDG&E's April 13, 2015 Application was filed in accordance with the schedule adopted in the Commission's Rate Case Plan set forth in D.89-01-040 (modified by D.07-07-004).

**C. Corporate Information and Correspondence - Rules 2.1(a) and 2.1(b)**

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service to portions of southern Orange County and electric and gas service throughout San Diego County. The exact legal name of the Applicant is San Diego Gas & Electric Company. The location of Applicant's principal place of business is 8306 Century Park Court, San Diego, California. SDG&E's counsel in this matter is Thomas R. Brill.

Correspondence or communications regarding this Application should be addressed to:

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**D. Organization and Qualification to Transact Business – Rule 2.2**

A certified copy of SDG&E's Restated Articles of Incorporation, as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on September 10, 2014, in connection with SDG&E's Application No. A.14-09-009, and is incorporated herein by reference.

**E. Balance Sheet and Income Statement – Rule 3.2(a)(1)**

SDG&E's Balance Sheet, Income Statement and Financial Statement for the nine-month period ending September 30, 2014 are included in Appendix A.

**F. Rates - Rules 3.2(a)(2) and 3.2(a)(3)**

The rate impacts for SDG&E that will result from this Amended Application are described in detail in the testimony of Christopher Swartz (Chapter 2) supporting this Amended Application. A Statement of SDG&E's Present and Proposed Rates is included in Appendix B.

**G. Property and Equipment - Rule 3.2(a)(4)**

A general description of SDG&E's property and equipment was previously filed with the Commission on October 5, 2001, in connection with SDG&E's Application No. A.01-10-005 and is incorporated herein by reference. A statement of Original Cost and Depreciation Reserve for the nine-month period ending September 30, 2014 is attached as Appendix C.



#### **H. Summary of Earnings - Rules 3.2(a)(5) and (6)**

SDG&E's Summary of Earnings for the nine-month period ending September 30, 2014 is included in Appendix D.

#### **I. Depreciation - Rule 3.2(a)(7)**

For financial statement purposes, depreciation of utility plant has been computed on a straight-line remaining life basis, at rates based on the estimated useful lives of plant properties. For federal income tax accrual purposes, SDG&E generally computes depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-fixing purposes, "flow through accounting" has been adopted for such properties. For tax property additions in years 1981 through 1986, SDG&E has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SDG&E has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the depreciation differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.

#### **J. Proxy Statement - Rule 3.2(a)(8)**

A copy of the most recent Proxy Statement, dated March 20, 2014, as sent to all shareholders of SDG&E's parent company, Sempra Energy, was mailed to the Commission on May 12, 2014, and is incorporated herein by reference.

#### **K. Pass Through of Costs - Rule 3.2(a)(10)**

This Amended Application reflects and passes through to customers cost and revenue requirement requests for increased costs to SDG&E for services or commodities furnished by it, as described herein.

**L. Service and Notice - Rule 1.9**

This Amended Application will amend an existing rate proceeding, Application 15-04-012 in which parties have previously intervened and a service list has been established. As a result, SDG&E is serving this Application on all parties to A. 15-04-012. Within twenty days of filing, SDG&E will mail notice of this Application to the State of California and to cities and counties served by SDG&E (in accordance with the service list provided in Appendix E), and SDG&E will post the notice in their offices and publish the notice in newspapers of general circulation in each county in their service territory. In addition, within forty-five days of filing, SDG&E will include notices with the regular bills mailed to all customers affected by the proposed rate changes.

**VII. CONFIDENTIAL INFORMATION**

SDG&E is submitting the testimony of Mr. Schiermeyer supporting this Amended Application in both public (redacted) and non-public (unredacted and confidential) form, consistent with SDG&E's declarations of confidential treatment attached to the witness' testimony and submitted in conformance with D.06-06-066 and D.08-04-023. All other chapters of testimony do not include confidential information. In short, confidential treatment is necessary in this proceeding to avoid inappropriate disclosure of the confidential and commercially sensitive information (pertaining to SDG&E's electric procurement resources and strategies) that SDG&E witnesses must identify to support this Amended Application. Concurrently filed with this Amended Application, SDG&E is filing a Motion for Leave to File Confidential Materials Under Seal ("Motion"). The Motion explains that SDG&E is seeking confidential treatment of three exhibits attached to Mr. Schiermeyer's testimony (Exhibits "D", "E" and "F") pursuant to the Confidentiality matrix that was adopted in D.06-06-066. These

exhibits include monthly rate schedule information that is sensitive and protected under Section 454.5 of the Public Utilities Code as well as the Confidentiality matrix under section V. E. because it concerns the Load Servicing Entity Energy Forecast of Retail Sales for SDG&E's Service Area (MWh). This information has been included in the exhibits described above because it is required at monthly level of granularity by other witnesses to complete analyses in their testimony.

## **VIII. CONCLUSION**

SAN DIEGO GAS & ELECTRIC COMPANY requests that the Commission: (1) authorize the various rate design and revenue allocation proposals described above; (2) authorize SDG&E to implement the rates as proposed herein; and (3) grant such additional relief as the Commission believes is just and reasonable.

Respectfully submitted,

/s/ Thomas R. Brill

Thomas R. Brill;

*Counsel for*

SAN DIEGO GAS & ELECTRIC COMPANY  
8330 Century Park Court, San Diego, CA 92123  
858/654-1601 (telephone)  
858/654-1586 (facsimile)  
[TBrill@semprautilities.com](mailto:TBrill@semprautilities.com)

December 1, 2015

## **OFFICER VERIFICATION**

I, Caroline A. Winn, declare the following:

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing Application are true to my own knowledge, except as to matters that are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 1st day of December, 2015 at San Diego, California.

/s/ Caroline A. Winn

Caroline A. Winn  
Chief Energy Delivery Officer  
San Diego Gas & Electric Company

## **APPENDIX A**

### **BALANCE SHEET AND INCOME STATEMENT AND FINANCIAL STATEMENT**

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**SEPTEMBER 30, 2014**

<b>1. UTILITY PLANT</b>		<b>2014</b>
101	UTILITY PLANT IN SERVICE	\$13,265,270,702
102	UTILITY PLANT PURCHASED OR SOLD	-
104	UTILITY PLANT LEASED TO OTHERS	85,194,000
105	PLANT HELD FOR FUTURE USE	13,092,995
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	850,382,133
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(4,186,909,599)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(410,449,684)
114	ELEC PLANT ACQUISITION ADJ	3,750,722
115	ACCUM PROVISION FOR AMORT OF ELECTRIC PLANT ACQUIS ADJ	(687,632)
118	OTHER UTILITY PLANT	924,585,477
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(259,751,909)
120	NUCLEAR FUEL - NET	-
TOTAL NET UTILITY PLANT		<u>10,284,477,205</u>
<b>2. OTHER PROPERTY AND INVESTMENTS</b>		
121	NONUTILITY PROPERTY	5,947,314
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(364,300)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	-
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	<u>1,086,913,134</u>
TOTAL OTHER PROPERTY AND INVESTMENTS		<u>1,092,496,148</u>

Data from SPL as of November 20, 2014

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**SEPTEMBER 30, 2014**

<b>3. CURRENT AND ACCRUED ASSETS</b>		<u>2014</u>
131	CASH	8,179,251
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	500
136	TEMPORARY CASH INVESTMENTS	8,600,000
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	325,835,707
143	OTHER ACCOUNTS RECEIVABLE	27,346,788
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(3,306,398)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	1,037,349
151	FUEL STOCK	5,915,837
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	60,643,228
156	OTHER MATERIALS AND SUPPLIES	-
158	ALLOWANCES	119,762,814
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	355,489
165	PREPAYMENTS	187,946,741
171	INTEREST AND DIVIDENDS RECEIVABLE	379,618
173	ACCRUED UTILITY REVENUES	66,408,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	3,140,584
175	DERIVATIVE INSTRUMENT ASSETS	<u>122,719,561</u>
TOTAL CURRENT AND ACCRUED ASSETS		<u>934,965,069</u>
<b>4. DEFERRED DEBITS</b>		
181	UNAMORTIZED DEBT EXPENSE	33,866,452
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	3,415,826,388
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	5,408,508
184	CLEARING ACCOUNTS	773,515
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	69,070,258
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	12,678,902
190	ACCUMULATED DEFERRED INCOME TAXES	<u>546,020,438</u>
TOTAL DEFERRED DEBITS		<u>4,083,644,461</u>
TOTAL ASSETS AND OTHER DEBITS		<u><u>16,395,582,883</u></u>

Data from SPL as of November 20, 2014

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**SEPTEMBER 30, 2014**

**5. PROPRIETARY CAPITAL**

	<u>2014</u>
201 COMMON STOCK ISSUED	(\$291,458,395)
204 PREFERRED STOCK ISSUED	-
207 PREMIUM ON CAPITAL STOCK	(591,282,978)
210 GAIN ON RETIRED CAPITAL STOCK	-
211 MISCELLANEOUS PAID-IN CAPITAL	(479,665,369)
214 CAPITAL STOCK EXPENSE	24,605,640
216 UNAPPROPRIATED RETAINED EARNINGS	(3,680,171,669)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>7,425,619</u>
 TOTAL PROPRIETARY CAPITAL	 <u>(5,010,547,152)</u>

**6. LONG-TERM DEBT**

221 BONDS	(3,912,505,000)
223 ADVANCES FROM ASSOCIATED COMPANIES	-
224 OTHER LONG-TERM DEBT	(223,900,000)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	<u>10,483,578</u>
 TOTAL LONG-TERM DEBT	 <u>(4,125,921,422)</u>

**7. OTHER NONCURRENT LIABILITIES**

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(665,589,287)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(30,799,317)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(123,587,487)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
230 ASSET RETIREMENT OBLIGATIONS	<u>(870,397,986)</u>
 TOTAL OTHER NONCURRENT LIABILITIES	 <u>(1,690,374,077)</u>

Data from SPL as of November 20, 2014



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**SEPTEMBER 30, 2014**

<b>8. CURRENT AND ACCRUED LIABILITIES</b>		<u>2014</u>
231	NOTES PAYABLE	0
232	ACCOUNTS PAYABLE	(426,187,421)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(36,331,647)
235	CUSTOMER DEPOSITS	(68,765,920)
236	TAXES ACCRUED	(142,413,013)
237	INTEREST ACCRUED	(56,002,581)
238	DIVIDENDS DECLARED	-
241	TAX COLLECTIONS PAYABLE	(5,069,005)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(300,676,506)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(36,787,838)
244	DERIVATIVE INSTRUMENT LIABILITIES	(149,662,867)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
TOTAL CURRENT AND ACCRUED LIABILITIES		<u>(1,221,896,798)</u>
<b>9. DEFERRED CREDITS</b>		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(36,637,985)
253	OTHER DEFERRED CREDITS	(364,727,768)
254	OTHER REGULATORY LIABILITIES	(1,317,940,681)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(21,820,437)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,855,909,283)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(749,807,280)
TOTAL DEFERRED CREDITS		<u>(4,346,843,434)</u>
TOTAL LIABILITIES AND OTHER CREDITS		<u><u>(\$16,395,582,883)</u></u>

Data from SPL as of November 20, 2014

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**NINE MONTHS ENDED SEPTEMBER 30, 2014**

**1. UTILITY OPERATING INCOME**

400	OPERATING REVENUES		\$3,888,295,041
401	OPERATING EXPENSES	\$2,604,800,533	
402	MAINTENANCE EXPENSES	112,891,857	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	373,934,327	
408.1	TAXES OTHER THAN INCOME TAXES	82,987,508	
409.1	INCOME TAXES	26,163,303	
410.1	PROVISION FOR DEFERRED INCOME TAXES	675,397,703	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(482,264,895)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(2,040,336)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		<u>3,391,870,000</u>
	NET OPERATING INCOME		496,425,041

**2. OTHER INCOME AND DEDUCTIONS**

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417	REVENUES OF NONUTILITY OPERATIONS	1,578	
417.1	EXPENSES OF NONUTILITY OPERATIONS	-	
418	NONOPERATING RENTAL INCOME	297,497	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	5,399,961	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	25,944,284	
421	MISCELLANEOUS NONOPERATING INCOME	371,195	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	<u>32,014,515</u>	
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
425	MISCELLANEOUS AMORTIZATION	187,536	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	<u>8,038,828</u>	
	TOTAL OTHER INCOME DEDUCTIONS	<u>8,226,364</u>	
408.2	TAXES OTHER THAN INCOME TAXES	496,329	
409.2	INCOME TAXES	(1,789,345)	
410.2	PROVISION FOR DEFERRED INCOME TAXES	8,312,662	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	<u>(6,478,028)</u>	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	<u>541,618</u>	
	TOTAL OTHER INCOME AND DEDUCTIONS		<u>23,246,533</u>
	INCOME BEFORE INTEREST CHARGES		519,671,574
	NET INTEREST CHARGES*		<u>140,424,376</u>
	NET INCOME		<u><u>\$379,247,198</u></u>

*\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$10,362,273)*

**SAN DIEGO GAS & ELECTRIC COMPANY  
STATEMENT OF INCOME AND RETAINED EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2014**

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**3. RETAINED EARNINGS**

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$3,300,924,471
NET INCOME (FROM PRECEDING PAGE)	379,247,198
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	0
OTHER RETAINED EARNINGS ADJUSTMENTS	0
RETAINED EARNINGS AT END OF PERIOD	<u>\$3,680,171,669</u>

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**September 30, 2014**

(a) Amounts and Kinds of Stock Authorized:

Common Stock	255,000,000 shares	Without Par Value
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Amounts and Kinds of Stock Outstanding:

<b>COMMON STOCK</b>	116,583,358 shares	291,458,395
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(b) Brief Description of Mortgage:

Full information as to this item is given in Application Nos. 08-07-029, 10-10-023 and 12-03-005 to which references are hereby made.

(c) Number and Amount of Bonds Authorized and Issued:

	Nominal Date of Issue	Par Value Authorized and Issued	Outstanding	Interest Paid in 2013
<u>First Mortgage Bonds:</u>				
6.80% Series KK, due 2013	12-01-91	14,400,000	0	979,200
Var% Series OO, due 2027	12-01-92	250,000,000	150,000,000	7,612,500
5.85% Series RR, due 2021	06-29-93	60,000,000	0	2,876,250
5.875% Series VV, due 2034	06-17-04	43,615,000	43,615,000	2,562,373
5.875% Series WW, due 2034	06-17-04	40,000,000	40,000,000	2,350,000
5.875% Series XX, due 2034	06-17-04	35,000,000	35,000,000	2,056,250
5.875% Series YY, due 2034	06-17-04	24,000,000	24,000,000	1,410,000
5.875% Series ZZ, due 2034	06-17-04	33,650,000	33,650,000	1,976,936
4.00% Series AAA, due 2039	06-17-04	75,000,000	75,000,000	2,900,000
5.35% Series BBB, due 2035	05-19-05	250,000,000	250,000,000	13,375,000
5.30% Series CCC, due 2015	11-15-05	250,000,000	250,000,000	13,250,000
6.00% Series DDD, due 2026	06-08-06	250,000,000	250,000,000	15,000,000
1.65% Series EEE, due 2018	09-21-06	161,240,000	161,240,000	2,571,778
6.125% Series FFF, due 2037	09-20-07	250,000,000	250,000,000	15,312,500
6.00% Series GGG, due 2039	05-14-09	300,000,000	300,000,000	18,000,000
5.35% Series HHH, due 2040	05-13-10	250,000,000	250,000,000	13,375,000
4.50% Series III, due 2040	08-26-10	500,000,000	500,000,000	22,500,000
3.00% Series JJJ, due 2021	08-18-11	350,000,000	350,000,000	10,500,000
3.95% Series LLL, due 2041	11-17-11	250,000,000	250,000,000	9,875,000
4.30% Series MMM, due 2042	03-22-12	250,000,000	250,000,000	10,750,000
3.60% Series NNN, due 2023	09-09-13	450,000,000	450,000,000	0
<u>Unsecured Bonds:</u>				
5.30% CV96A, due 2021	08-02-96	38,900,000	38,900,000	2,061,700
5.50% CV96B, due 2021	11-21-96	60,000,000	60,000,000	3,300,000
4.90% CV97A, due 2023	10-31-97	25,000,000	25,000,000	1,225,000

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**September 30, 2014**

<u>Other Indebtedness:</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding</u>	<u>Interest Paid 2013</u>
Commercial Paper & ST Bank Loans	Various	Various	Various	0	\$15,949

Amounts and Rates of Dividends Declared:

The amounts and rates of dividends during the past five fiscal years are as follows:

<u>Preferred Stock</u>	<u>Shares Outstanding 12-31-13</u>	<u>Dividends Declared</u>				
		2009	2010	2011	2012	2013
5.0%		\$375,000	\$375,000	\$375,000	\$375,000	\$281,250
4.50%		270,000	270,000	270,000	270,000	202,500
4.40%		286,000	286,000	286,000	286,000	214,500
4.60%		343,868	343,868	343,868	343,868	257,901
\$ 1.7625		0	0	0	0	0
\$ 1.70		2,380,000	2,380,000	2,380,000	2,380,000	1,785,000
\$ 1.82		1,164,800	1,164,800	1,164,800	1,164,800	873,600
	0	\$4,819,668	\$4,819,668	\$4,819,668	\$4,819,668	\$3,614,751

Common Stock

Dividend to Parent	\$150,000,000 [1]	\$0	\$0	\$0	\$0
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A balance sheet and a statement of income and retained earnings of Applicant for the nine months ended September 30, 2014 are attached hereto.

[1] San Diego Gas & Electric Company dividend to parent.

**APPENDIX B**

**STATEMENT OF PRESENT  
AND PROPOSED RATES**

## APPENDIX B

### ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical residential customer living in the inland climate zone and using 500 kWh per month will see a monthly winter bill increase of \$10.37, or 9.7%, from current to Year 1, \$2.05, or 1.8% from Year 1 to Year 2, and \$1.26, or 1.1%, from Year 2 to Year 3. A typical monthly electric bill will increase from \$106.89 to \$117.26 from current to Year 1, and \$119.31 for Year 2, and \$120.57 for Year 3. The dollar amounts and percentages shown do not necessarily reflect the exact changes you may see in your bill. Changes in individual bills will depend on how much energy each customer uses. The table below shows a comparison of current class average rates to proposed rates for Years 1, 2, and 3.

Customer Class	Current Rates Effective 11/1/2015	Current Rates Adjusted for Year 1 Updated Sales	Proposed Rates Year 1	Current to Year 1 Change		Proposed Rates Year 2	Current to Year 2 Change		Proposed Rates Year 3	Current to Year 3 Change	
				\$	%		\$	%		\$	%
Residential	22.651	22.982	24.398	1.416	6.16%	25.055	2.073	9.02%	25.712	2.730	11.88%
Small Commercial	24.653	23.804	24.600	0.796	3.34%	25.143	1.339	5.63%	25.686	1.882	7.91%
Medium & Large Commercial & Industrial	19.529	20.209	20.813	0.604	2.99%	20.086	-0.123	-0.61%	19.358	-0.851	-4.21%
Agricultural	17.642	17.929	17.553	-0.376	-2.10%	17.370	-0.559	-3.12%	17.188	-0.748	-4.17%
Lighting	18.062	19.727	22.013	2.286	11.59%	22.211	2.484	12.59%	22.408	2.681	13.59%
System Total	21.154	21.552	22.461	0.909	4.22%	22.463	0.911	4.23%	22.464	0.912	4.23%

## **APPENDIX C**

### **COST OF PROPERTY AND DEPRECIATION RESERVE**



**SAN DIEGO GAS & ELECTRIC COMPANY**

**COST OF PROPERTY AND  
DEPRECIATION RESERVE APPLICABLE THERETO  
AS OF SEPTEMBER 30, 2014**

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
<b>ELECTRIC DEPARTMENT</b>			
302	Franchises and Consents	222,841.36	202,900.30
303	Misc. Intangible Plant	127,516,141.93	33,898,145.85
	TOTAL INTANGIBLE PLANT	127,738,983.29	34,101,046.15
310.1	Land	14,526,518.29	46,518.29
310.2	Land Rights	0.00	0.00
311	Structures and Improvements	94,085,697.51	34,790,069.71
312	Boiler Plant Equipment	166,507,440.76	59,528,992.29
314	Turbogenerator Units	131,066,744.63	39,247,753.27
315	Accessory Electric Equipment	82,076,227.97	28,377,956.52
316	Miscellaneous Power Plant Equipment	40,942,766.51	7,552,023.72
	Steam Production Decommissioning	0.00	0.00
	TOTAL STEAM PRODUCTION	529,205,395.67	169,543,313.80
320.1	Land	0.00	0.00
320.2	Land Rights	283,677.11	283,677.11
321	Structures and Improvements	277,056,869.05	271,035,015.47
322	Boiler Plant Equipment	594,340,599.48	414,490,986.47
323	Turbogenerator Units	144,904,256.04	137,460,463.10
324	Accessory Electric Equipment	173,367,620.53	168,082,213.69
325	Miscellaneous Power Plant Equipment	316,741,905.66	243,619,477.31
101	SONGS PLANT CLOSURE GROSS PLANT-	(342,736,872.47)	(71,013,778.34)
	TOTAL NUCLEAR PRODUCTION	1,163,958,055.40	1,163,958,054.81
340.1	Land	143,475.87	0.00
340.2	Land Rights	56,032.61	4,306.51
341	Structures and Improvements	22,703,423.92	5,033,784.18
342	Fuel Holders, Producers & Accessories	20,348,101.38	5,733,153.23
343	Prime Movers	83,912,588.36	25,844,689.26
344	Generators	335,592,339.05	104,367,428.88
345	Accessory Electric Equipment	32,506,374.56	9,552,360.18
346	Miscellaneous Power Plant Equipment	24,160,286.03	10,859,450.90
	TOTAL OTHER PRODUCTION	519,422,621.78	161,395,173.14
	TOTAL ELECTRIC PRODUCTION	2,212,586,072.85	1,494,896,541.75

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
350.1	Land	41,012,520.66	0.00
350.2	Land Rights	152,405,035.47	16,153,850.09
352	Structures and Improvements	357,199,704.57	48,250,442.63
353	Station Equipment	1,123,658,169.32	199,272,486.16
354	Towers and Fixtures	846,122,326.99	125,957,137.02
355	Poles and Fixtures	308,510,965.20	67,043,111.85
356	Overhead Conductors and Devices	496,754,019.12	197,221,962.96
357	Underground Conduit	255,457,596.10	36,636,154.25
358	Underground Conductors and Devices	287,368,103.41	37,927,315.16
359	Roads and Trails	265,263,253.52	17,288,840.47
101	SONGS PLANT CLOSURE GROSS PLANT-	(5,943,752.68)	(5,943,752.68)
	TOTAL TRANSMISSION	4,127,807,941.68	739,807,547.91
360.1	Land	16,176,227.80	0.00
360.2	Land Rights	81,460,425.89	36,502,530.48
361	Structures and Improvements	4,014,064.63	1,739,746.33
362	Station Equipment	449,269,959.70	121,408,315.61
363	Storage Battery Equipment	6,892,564.47	620,300.29
364	Poles, Towers and Fixtures	582,544,712.67	248,041,094.77
365	Overhead Conductors and Devices	460,690,966.72	178,068,014.76
366	Underground Conduit	1,051,839,731.88	412,929,705.11
367	Underground Conductors and Devices	1,361,423,574.20	812,520,352.77
368.1	Line Transformers	530,271,342.42	103,721,987.34
368.2	Protective Devices and Capacitors	21,335,893.29	(4,805,748.60)
369.1	Services Overhead	129,419,280.41	121,052,766.52
369.2	Services Underground	322,377,712.17	226,877,256.51
370.1	Meters	189,823,586.60	50,733,838.29
370.2	Meter Installations	55,015,952.49	12,429,583.68
371	Installations on Customers' Premises	7,010,597.78	10,820,402.04
373.1	St. Lighting & Signal Sys.-Transformers	0.00	0.00
373.2	Street Lighting & Signal Systems	26,375,801.79	19,163,684.32
	TOTAL DISTRIBUTION PLANT	5,295,942,394.91	2,351,823,830.22
389.1	Land	7,312,142.54	0.00
389.2	Land Rights	0.00	0.00
390	Structures and Improvements	32,224,388.56	22,390,930.46
392.1	Transportation Equipment - Autos	0.00	49,884.21
392.2	Transportation Equipment - Trailers	58,145.67	7,740.70
393	Stores Equipment	15,720.46	15,227.49
394.1	Portable Tools	22,371,863.28	7,067,417.10
394.2	Shop Equipment	341,135.67	223,202.53
395	Laboratory Equipment	2,240,574.26	69,150.83
396	Power Operated Equipment	60,528.93	117,501.67
397	Communication Equipment	220,729,200.86	80,789,206.55
398	Miscellaneous Equipment	1,498,093.95	389,419.67
	TOTAL GENERAL PLANT	286,851,794.18	111,119,681.21
101	TOTAL ELECTRIC PLANT	12,050,927,186.91	4,731,748,647.24

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
<b>GAS PLANT</b>			
302	Franchises and Consents	86,104.20	
303	Miscellaneous Intangible Plant	0.00	0.00
	TOTAL INTANGIBLE PLANT	86,104.20	0.00
360.1	Land	0.00	0.00
361	Structures and Improvements	43,992.02	43,992.02
362.1	Gas Holders	0.00	0.00
362.2	Liquefied Natural Gas Holders	0.00	0.00
363	Purification Equipment	0.00	0.00
363.1	Liquefaction Equipment	0.00	0.00
363.2	Vaporizing Equipment	0.00	0.00
363.3	Compressor Equipment	0.00	0.00
363.4	Measuring and Regulating Equipment	0.00	0.00
363.5	Other Equipment	0.00	0.00
363.6	LNG Distribution Storage Equipment	2,052,614.24	881,977.89
	TOTAL STORAGE PLANT	2,096,606.26	925,969.91
365.1	Land	4,649,143.75	0.00
365.2	Land Rights	2,218,048.05	1,297,329.17
366	Structures and Improvements	11,710,305.17	9,885,994.97
367	Mains	182,939,877.87	64,289,357.04
368	Compressor Station Equipment	83,537,457.65	65,805,072.56
369	Measuring and Regulating Equipment	19,991,929.34	15,637,441.47
371	Other Equipment	0.00	0.00
	TOTAL TRANSMISSION PLANT	305,046,761.83	156,915,195.21
374.1	Land	102,187.24	0.00
374.2	Land Rights	8,159,510.86	6,453,551.42
375	Structures and Improvements	43,446.91	61,253.10
376	Mains	600,626,266.53	340,601,118.25
378	Measuring & Regulating Station Equipment	17,490,287.24	7,175,773.91
380	Distribution Services	248,923,877.04	288,572,418.53
381	Meters and Regulators	152,135,710.58	46,397,274.64
382	Meter and Regulator Installations	89,572,748.29	30,967,554.26
385	Ind. Measuring & Regulating Station Equipment	1,516,810.70	1,112,362.22
386	Other Property On Customers' Premises	0.00	0.00
387	Other Equipment	5,223,271.51	4,800,609.64
	TOTAL DISTRIBUTION PLANT	1,123,794,116.90	726,141,915.97

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
392.1	Transportation Equipment - Autos	0.00	25,503.00
392.2	Transportation Equipment - Trailers	74,500.55	74,500.68
394.1	Portable Tools	7,908,416.53	3,533,355.12
394.2	Shop Equipment	76,864.06	41,520.76
395	Laboratory Equipment	283,093.66	265,818.29
396	Power Operated Equipment	162,284.40	140,775.23
397	Communication Equipment	2,649,798.75	864,666.61
398	Miscellaneous Equipment	198,324.54	85,471.92
	TOTAL GENERAL PLANT	11,353,282.49	5,031,611.61
101	TOTAL GAS PLANT	1,442,376,871.68	889,014,692.70
<b>COMMON PLANT</b>			
303	Miscellaneous Intangible Plant	242,465,445.60	160,825,108.81
350.1	Land	0.00	0.00
360.1	Land	0.00	0.00
389.1	Land	7,168,914.56	0.00
389.2	Land Rights	1,080,961.15	27,775.74
390	Structures and Improvements	299,817,337.36	126,837,963.49
391.1	Office Furniture and Equipment - Other	25,689,409.87	11,992,942.53
391.2	Office Furniture and Equipment - Computer E	84,559,435.04	58,060,048.53
392.1	Transportation Equipment - Autos	273,263.97	(338,930.17)
392.2	Transportation Equipment - Trailers	33,369.38	21,585.28
393	Stores Equipment	79,141.34	55,370.79
394.1	Portable Tools	1,232,026.51	244,725.05
394.2	Shop Equipment	222,948.16	136,851.10
394.3	Garage Equipment	1,056,076.39	68,560.43
395	Laboratory Equipment	2,090,236.56	905,420.00
396	Power Operated Equipment	0.00	(192,979.10)
397	Communication Equipment	130,463,619.62	59,938,612.10
398	Miscellaneous Equipment	2,481,413.83	1,390,267.42
118.1	TOTAL COMMON PLANT	798,713,599.34	419,973,322.00
	TOTAL ELECTRIC PLANT	12,050,927,186.91	4,731,748,647.24
	TOTAL GAS PLANT	1,442,376,871.68	889,100,796.90
	TOTAL COMMON PLANT	798,713,599.34	419,973,322.00
101 & 118.1	TOTAL	14,292,017,657.93	6,040,822,766.14
101	PLANT IN SERV-SONGS FULLY RECOVER	(1,163,958,055.43)	(1,163,958,055.43)
101	PLANT IN SERV-ELECTRIC NON-RECON Electric	(3,185,074.00)	0.00

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
101	PLANT IN SERV-ASSETS HELD FOR SALE		
	Electric	0.00	0.00
	Common	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
101	PLANT IN SERV-LEGACY METER RECLASS		
	Electric	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
101	PLANT IN SERV-SUNRISE FIRE MITIGATION		
	Electric	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
118	PLANT IN SERV-COMMON NON-RECON		
	Common - Transferred Asset Adjustment	(2,094,664.96)	(2,094,664.96)
		<u>(2,094,664.96)</u>	<u>(2,094,664.96)</u>
101	Accrual for Retirements		
	Electric	(5,670,929.45)	(5,670,929.45)
	Gas	(66,894.14)	(66,894.14)
		<u>(5,737,823.59)</u>	<u>(5,737,823.59)</u>
	TOTAL PLANT IN SERV-ACCRUAL FOR RE	<u>(5,737,823.59)</u>	<u>(5,737,823.59)</u>
102	Electric	0.00	0.00
	Gas	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
	TOTAL PLANT PURCHASED OR SOLD	<u>0.00</u>	<u>0.00</u>
104	Electric	85,194,000.02	7,435,486.46
	Gas	0.00	0.00
		<u>85,194,000.02</u>	<u>7,435,486.46</u>
	TOTAL PLANT LEASED TO OTHERS	<u>85,194,000.02</u>	<u>7,435,486.46</u>
105	Plant Held for Future Use		
	Electric	13,092,995.37	0.00
	Gas	0.00	0.00
		<u>13,092,995.37</u>	<u>0.00</u>
	TOTAL PLANT HELD FOR FUTURE USE	<u>13,092,995.37</u>	<u>0.00</u>
107	Construction Work in Progress		
	Electric	770,421,642.02	
	Gas	81,379,464.14	
	Common	125,022,915.69	
		<u>976,824,021.85</u>	<u>0.00</u>
	TOTAL CONSTRUCTION WORK IN PROGRESS	<u>976,824,021.85</u>	<u>0.00</u>
108	Accum. Depr SONGS Mitigation/Spent Fuel Disallowance		
	Electric	0.00	0.00
		<u>0.00</u>	<u>0.00</u>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
108.5	Accumulated Nuclear Decommissioning Electric	0.00	976,759,315.31
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	0.00	976,759,315.31
101.1	ELECTRIC CAPITAL LEASES	837,939,281.00	137,272,439.00
118.1	COMMON CAPITAL LEASE	19,150,085.19	17,679,124.20
		857,089,366.19	154,951,563.20
120	NUCLEAR FUEL FABRICATION	62,963,775.37	40,861,208.00
120	SONGS PLANT CLOSURE-NUCLEAR FUEL	(62,963,775.37)	(40,861,208.00)
143	FAS 143 ASSETS - Legal Obligation	267,997,174.00	(911,097,810.82)
	SONGS Plant Closure - FAS 143 contra	(266,617,323.00)	(61,166,058.00)
	FIN 47 ASSETS - Non-Legal Obligation	67,384,474.15	26,900,088.59
143	FAS 143 ASSETS - Legal Obligation	0.00	(1,313,209,265.35)
	TOTAL FAS 143	68,764,325.15	(2,258,573,045.58)
	UTILITY PLANT TOTAL	15,118,006,748.53	3,749,605,541.55

**APPENDIX D**

**SUMMARY OF EARNINGS**

**SAN DIEGO GAS & ELECTRIC COMPANY  
SUMMARY OF EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2014  
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$3,888
2	Operating Expenses	<u>3,392</u>
3	Net Operating Income	<u><u>\$496</u></u>
4	Weighted Average Rate Base	<b>\$7,102</b>
5	Rate of Return*	7.79%

\*Authorized Cost of Capital



**APPENDIX E**

**GOVERNMENTAL ENTITIES RECEIVING NOTICE**

State of California  
Attorney General's Office  
P.O. Box 944255  
Sacramento, CA 94244-2550

Naval Facilities Engineering  
Command  
Navy Rate Intervention  
1314 Harwood Street SE  
Washing Navy Yard, DC 20374

City of Carlsbad  
Attn. City Attorney  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008-19589

City of Chula Vista  
Attn. City Attorney  
276 Fourth Ave  
Chula Vista, Ca 91910-2631

City of Dana Point  
Attn. City Attorney  
33282 Golden Lantern  
Dana Point, CA 92629

City of Del Mar  
Attn. City Clerk  
1050 Camino Del Mar  
Del Mar, CA 92014

City of Encinitas  
Attn. City Attorney  
505 S. Vulcan Ave.  
Encinitas, CA 92024

City of Escondido  
Attn. City Attorney  
201 N. Broadway  
Escondido, CA 92025

City of Imperial Beach  
Attn. City Clerk  
825 Imperial Beach Blvd  
Imperial Beach, CA 92032

City of Laguna Beach  
Attn. City Clerk  
505 Forest Ave  
Laguna Beach, CA 92651

State of California  
Attn. Director Dept of General  
Services  
PO Box 989052  
West Sacramento, CA 95798-9052

Alpine County  
Attn. County Clerk  
99 Water Street, P.O. Box 158  
Markleeville, CA 96120

City of Carlsbad  
Attn. Office of the County Clerk  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008-19589

City of Coronado  
Attn. Office of the City Clerk  
1825 Strand Way  
Coronado, CA 92118

City of Dana Point  
Attn. City Clerk  
33282 Golden Lantern  
Dana Point, CA 92629

City of El Cajon  
Attn. City Clerk  
200 Civic Way  
El Cajon, CA 92020

City of Encinitas  
Attn. City Clerk  
505 S. Vulcan Ave.  
Encinitas, CA 92024

City of Fallbrook  
Chamber of Commerce  
Attn. City Clerk  
111 S. Main Avenue  
Fallbrook, CA 92028

City of Imperial Beach  
Attn. City Attorney  
825 Imperial Beach Blvd  
Imperial Beach, CA 92032

City of Laguna Beach  
Attn. City Attorney  
505 Forest Ave  
Laguna Beach, CA 92651

United States Government  
General Services Administration  
300 N. Los Angeles  
Los Angeles, CA 90012

Borrego Springs Chamber of  
Commerce Attn. City Clerk  
786 Palm Canyon Dr  
PO Box 420  
Borrego Springs CA 92004-0420

City of Chula Vista  
Attn: Office of the City Clerk  
276 Fourth Avenue  
Chula Vista, California 91910-2631

City of Coronado  
Attn. City Attorney  
1825 Strand Way  
Coronado, CA 92118

City of Del Mar  
Attn. City Attorney  
1050 Camino Del Mar  
Del Mar, CA 92014

City of El Cajon  
Attn. City Attorney  
200 Civic Way  
El Cajon, CA 92020

City of Escondido  
Attn. City Clerk  
201 N. Broadway  
Escondido, CA 92025

City of Fallbrook  
Chamber of Commerce  
Attn. City Attorney  
111 S. Main Avenue  
Fallbrook, CA 92028

Julian Chamber of Commerce  
P.O. Box 1866  
2129 Main Street  
Julian, CA

City of Laguna Niguel  
Attn. City Attorney  
30111 Crown Valley Parkway  
Laguna Niguel, California 92677

City of Laguna Niguel  
Attn. City Clerk  
30111 Crown Valley Parkway  
Laguna Niguel, California 92677

City of Lakeside  
Attn. City Clerk  
9924 Vine Street  
Lakeside CA 92040

City of La Mesa  
Attn. City Attorney  
8130 Allison Avenue  
La Mesa, CA 91941

City of La Mesa  
Attn. City Clerk  
8130 Allison Avenue  
La Mesa, CA 91941

City of Lemon Grove  
Attn. City Clerk  
3232 Main St.  
Lemon Grove, CA 92045

City of Lemon Grove  
Attn. City Attorney  
3232 Main St.  
Lemon Grove, CA 92045

City of Mission Viejo  
Attn: City Clerk  
200 Civic Center  
Mission Viejo, CA 92691

City of Mission Viejo  
Attn: City Attorney  
200 Civic Center  
Mission Viejo, CA 92691

City of National City  
Attn. City Clerk  
1243 National City Blvd  
National City, CA 92050

City of National City  
Attn. City Attorney  
1243 National City Blvd  
National City, CA 92050

City of Oceanside  
Attn. City Clerk  
300 N. Coast Highway  
Oceanside, CA 92054-2885

City of Oceanside  
Attn. City Attorney  
300 N. Coast Highway  
Oceanside, CA 92054-2885

County of Orange  
Attn. County Counsel  
P.O. Box 1379  
Santa Ana, CA 92702

County of Orange  
Attn. County Clerk  
12 Civic Center Plaza, Room 101  
Santa Ana, CA 92701

City of Poway  
Attn. City Clerk  
P.O. Box 789  
Poway, CA 92064

City of Poway  
Attn. City Attorney  
P.O. Box 789  
Poway, CA 92064

City of Ramona  
Attn. City Clerk  
960 Main Street  
Ramona, CA 92065

City of Ramona  
Attn. City Attorney  
960 Main Street  
Ramona, CA 92065

City of Rancho San Diego - Jamul  
Attn. City Clerk  
3855 Avocado Blvd.  
Suite 230  
La Mesa, CA 91941

City of San Clemente  
Attn. City Clerk  
100 Avenida Presidio  
San Clemente, CA 92672

City of San Clemente  
Attn. City Attorney  
100 Avenida Presidio  
San Clemente, CA 92672

City of San Diego  
Attn. Mayor  
202 C Street, 11<sup>th</sup> Floor  
San Diego, CA 92101

County of San Diego  
Attn. County Clerk  
P.O. Box 121750  
San Diego, CA 92101

City of San Diego  
Attn. City Attorney  
1200 Third Ave.  
Suite 1620  
San Diego, CA 92101

County of San Diego  
Attn. County Counsel  
1600 Pacific Hwy  
San Diego, CA 92101

City of San Diego  
Attn. City Clerk  
202 C Street, 2<sup>nd</sup> Floor  
San Diego, CA 92101

City of San Marcos  
Attn. City Clerk  
1 Civic Center Dr.  
San Marcos, CA 92069

City of San Marcos  
Attn. City Attorney  
1 Civic Center Dr.  
San Marcos, CA 92069

City of Santee  
Attn. City Clerk  
10601 Magnolia Avenue  
Santee, CA 92071

City of Santee  
Attn. City Attorney  
10601 Magnolia Avenue  
Santee, CA 92071

City of Solana Beach  
Attn. City Attorney  
635 S. Highway 101  
Solana Beach, CA 92075

Spring Valley Chamber of  
Commerce  
Attn. City Clerk  
3322 Sweetwater Springs Blvd,  
Ste. 202  
Spring Valley, CA 91977-3142

Valley Center Chamber of  
Commerce  
Attn. City Clerk  
P.O. Box 8  
Valley Center, CA 92082

City of Vista  
Attn. City Attorney  
200 Civic Center Drive, Bldg. K  
Vista, CA 92084

City of Vista  
Attn. City Clerk  
200 Civic Center Drive  
Vista, CA 92084

City of Aliso Viejo  
12 Journey  
Aliso Viejo, CA 92656

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of SAN DIEGO GAS & ELECTRIC )	
COMPANY (U 902 E) For Authority To )	Application No. 15-04-012
Update Marginal Costs, Cost Allocation, )	(Filed April 13, 2015)
And Electric Rate Design. )	
_____ )	

**NOTICE OF AVAILABILITY OF THE  
AMENDED APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS, COST ALLOCATION AND  
ELECTRIC RATE DESIGN AND SUPPORTING EXHIBITS**

*PLEASE TAKE NOTICE THAT* on December 1, 2015, San Diego Gas & Electric Company (“SDG&E”) filed its *Amended Application For Authority To Update Marginal Costs, Cost Allocation And Electric Rate Design*. The Amended Application supersedes SDG&E’s Application filed on April 13, 2015 in its entirety. The Amended Application consists of the application itself, and all of the attachments required by the Commission’s Rules of Practice and Procedure. Because the entire Amended Application and supporting Exhibits are composed of over fifty pages, pursuant to Rule 1.9(d) of the Commission’s Rules of Practice and Procedure, the Application the supporting testimony can be accessed and downloaded, as of 5:00 p.m., December 1, 2015, at the following internet address:

<http://www.sdge.com/sdge-2016-GRC-Phase-2>

SDG&E will, upon request, provide a paper copy of the entire Amended Application, public versions of supporting Exhibits, or any part thereof. Supporting workpapers will also be available upon request. To expedite service of the requested materials, SDG&E asks that requests be submitted in writing to:

Jamie York  
Regulatory Case Manager  
San Diego Gas & Electric Company  
8330 Century Park Court, San Diego, CA 92123  
858/654-1739 (Telephone)  
858/654-1788 (Facsimile)  
[JYork@semprautilities.com](mailto:JYork@semprautilities.com)

Respectfully submitted,

/s/ Thomas R. Brill

Thomas R. Brill

*Counsel for*  
SAN DIEGO GAS & ELECTRIC COMPANY  
8330 Century Park Court, San Diego, CA 92123  
858/654-1601 (telephone)  
858/654-1586 (facsimile)  
[TBrill@semprautilities.com](mailto:TBrill@semprautilities.com)